

By Marcelle
Introduced 2-23-11
P.H. 3-9-11
4-13-11

ADOPTED
METROPOLITAN COUNCIL

APR 13 2011


COUNCIL ADMINISTRATOR TREASURER

REVISED

ORDINANCE NO. 15109

AN ORDINANCE CREATING THE LAFAYETTE-MAIN ECONOMIC DEVELOPMENT DISTRICT WITHIN THE PARISH OF EAST BATON ROUGE, CITY OF BATON ROUGE, LOUISIANA; DEFINING THE BOUNDARIES THEREOF FROM WHICH AREA HOTEL-MOTEL TAX INCREMENTS WILL BE DETERMINED AND USED TO FUND A PORTION OF THE COSTS OF AN ECONOMIC DEVELOPMENT PROJECT AS DESCRIBED HEREIN, ALL IN ACCORDANCE WITH AND AS AUTHORIZED BY CHAPTER 27 OF TITLE 33 OF THE LOUISIANA REVISED STATUTES OF 1950, AS AMENDED; DESIGNATING THE GOVERNING AUTHORITY OF THE DISTRICT; PLEDGING AND DEDICATING THE HOTEL-MOTEL TAX COLLECTED WITHIN THE BOUNDARIES OF THE LAFAYETTE-MAIN DISTRICT TO BE USED TO FINANCE SAID ECONOMIC DEVELOPMENT PROJECT; REQUIRING THE BASELINE HOTEL-MOTEL TAX COLLECTION RATE IN THE LAFAYETTE-MAIN ECONOMIC DEVELOPMENT DISTRICT TO BE CERTIFIED; AND PROVIDING FOR OTHER MATTERS IN CONNECTION WITH THE FOREGOING.

WHEREAS, Red Stick Hospitality LLC, (the "*Company*"), is currently planning to purchase land and construct improvements thereon (the "*Property*") in the downtown area of the Parish of East Baton Rouge and the City of Baton Rouge (the "*City/Parish*");

WHEREAS, the Company intends to develop the Property, through the construction of a hotel with approximately 137 rooms, meeting rooms, a board room, a fitness facility and a dining area, such hotel to be known as the Hampton Inn and Suites (the "*Hotel*"), and to thereby stimulate the local economy and facilitate the continuing effort to redevelop and revitalize the downtown area of the City/Parish (the "*Project*");

WHEREAS, the total cost of the Project is estimated to be approximately Sixteen Million Five Hundred Thousand Dollars (\$16,500,000) and additional sources of funds are needed in order to complete the Project;

WHEREAS, the Project will create approximately 137 additional available hotel rooms in downtown Baton Rouge to help with demand for hotel rooms required to hold major events and conventions, will create approximately 10 part time jobs, 55 service vendor positions, and over 110 construction jobs during the development phases of the Project and over 40 permanent jobs following construction related to the operation of the Hotel, the majority of which jobs will be entry-level jobs created for lower-income workers, and will thereby be a driving force behind

economic development, job creation and growth in the City/Parish, and a direct benefit to currently unemployed and low-income residents of the City/Parish;

WHEREAS, Chapter 27 of Title 33 of the Louisiana Revised Statutes of 1950, as amended, specifically La R.S. 33:9038.31 through 9038.42, inclusive (the "*Act*"), allows local governmental subdivisions to create economic development districts (the "*Districts*") and also allows them and other tax recipient entities to use certain of their incremental sales tax receipts and hotel-motel tax receipts (collectively referred to herein as "*hotel-motel tax*") attributable to a new hotel development within the boundaries of the Districts in excess of the hotel-motel tax receipts received from within such Districts over a base year's hotel-motel tax collections (collectively, the "*Tax Increment*") for the development of economic development projects (as defined in the Act), which includes projects that assist hotel, motel, conference facilities and other related industries, as well as any and all projects suitable to any industry determined by the City/Parish or a District created by the City/Parish to create economic development;

WHEREAS, the Property currently produces no hotel-motel tax revenue for the City/Parish;

WHEREAS, the Company intends to use tax increment financing in accordance with the Act, to provide a portion of the additional funds needed to complete the Project;

WHEREAS, in order to help accomplish the financing of the Project, it is necessary for the City/Parish to create a District and define its boundaries as hereinafter provided, from which the Tax Increment is determined;

WHEREAS, this Council proposes to create a District within the City/Parish to be known as the "Lafayette-Main Economic Development District" (the "*Lafayette-Main District*"), from which Lafayette-Main District the Tax Increment will be determined and so much thereof as is available will be used to finance a portion of the Project;

WHEREAS, in accordance with the Act, prior to the adoption of this Ordinance, a notice describing the boundaries of the Lafayette-Main District has been published two (2) times in *The Advocate*, the official journal of the City/Parish;

WHEREAS, pursuant to the Act, the City/Parish desires to designate the Metropolitan Council of the Parish of East Baton Rouge and the City of Baton Rouge (the "*Council*") as the governing authority of the Lafayette-Main District;

WHEREAS, the Council desires to pledge and dedicate the available amount of the Tax Increment collected within the boundaries of the Lafayette-Main District to be used to finance the Project; and

WHEREAS, the Council desires to authorize the Finance Director of the City/Parish to certify the baseline hotel-motel tax collection rate and the monthly baseline hotel-motel tax collection rate within the Lafayette-Main District's boundaries by executing the Lafayette-Main Economic Development District Baseline Hotel-Motel Tax Collection Rate Certificate, and,

pursuant to the requirements of Section 33:9038.34(C) of the Act, publish the certification in *The Advocate*, a newspaper of general circulation in the City/Parish and the official journal of the City/Parish (the “*Official Journal*”), said certificate being attached hereto and made a part hereof as Exhibit C (the “*Baseline Tax Certificate*”).

NOW, THEREFORE, BE IT ORDAINED by the Metropolitan Council of the Parish of East Baton Rouge and the City of Baton Rouge that:

SECTION 1. The rehabilitation and development of the Property to stimulate the continuing effort to redevelop the downtown area of the City/Parish and to provide much needed training and a significant number of jobs to unemployed and low-income residents of the City/Parish, is declared to be an economic development project as set forth in the Act.

SECTION 2. Pursuant to the Act, this Council does hereby create an economic development district within the City/Parish, to be named the “Lafayette-Main Economic Development District”, having the geographical boundaries set forth in Exhibit A attached hereto and hereby incorporated in and made a part of this Ordinance, and as thus created and established, said Lafayette-Main District shall constitute a political subdivision of the State of Louisiana and shall have all the powers granted by the Constitution, the Act, and all other laws of the State of Louisiana.

SECTION 3. The Council is hereby designated, pursuant to the Act, as the governing authority of the Lafayette-Main District.

SECTION 4. In accordance with the requirements of the Act, there has been published two (2) times in *The Advocate*, the official journal of the City/Parish, a notice describing the boundaries of the District, as well as a notice of introduction of this Ordinance, in the form attached hereto as Exhibit B.

SECTION 5. The amount of the Tax Increment, as available from time to time and collected within the boundaries of the District, is hereby pledged and dedicated for use by the Company for the financing of the Project as shall be specifically set forth in a Cooperative Endeavor Agreement between the City/Parish and the District.

SECTION 6. The Finance Director of the City/Parish is hereby directed to take any and all further action and to sign any and all documents and instruments as may be necessary to carry out the purposes of this Ordinance, including the execution of the Lafayette-Main Economic Development District Baseline Hotel-Motel Tax Collection Rate Certificate.

SECTION 7. The Lafayette-Main Economic Development District Baseline Hotel-Motel Tax Collection Rate Certificate shall also be published once in *The Advocate*, the official journal of the City/Parish.

SECTION 8. The Mayor/President and his staff are hereby authorized to do any and all things necessary and incidental to carry out the provisions of this Ordinance.

This Ordinance, having been submitted to a vote of the Metropolitan Council of the Parish of East Baton Rouge and the City of Baton Rouge, acting as the governing authority of the City/Parish, the vote thereon was as follows:

YEAS:

NAYS:

ABSENT:

NOT VOTING:

THUS DONE, APPROVED, AND ADOPTED by the Metropolitan Council of the Parish of East Baton Rouge, City of Baton Rouge, at a meeting of said public body duly held and conducted on April 13, 2011 in the Governmental Building in the City of Baton Rouge.

Brian Mayers,
Council Administrator

Jerry Michael “Mike” Walker, Sr.
President Pro Tempore

EXHIBIT A

DESCRIPTION OF THE BOUNDARIES OF THE LAFAYETTE-MAIN ECONOMIC DEVELOPMENT DISTRICT

The Lafayette-Main Economic Development District (the "*District*") will encompass approximately 22,120.3 square feet (0.508 acres) in the downtown area of the City of Baton Rouge, East Baton Rouge Parish, Louisiana generally described as follows: Commencing from the intersection of the eastern boundary of the Lafayette Street right of way and the southern boundary of the Main Street right of way, the District is bordered to the north by the southern boundary of the Main Street right of way and extending along said right of way in a line bearing approximately S01°25'56"E a distance of approximately 192 feet from said intersection to the northeast corner of the District. The eastern border of the District extends in a southerly direction from the northeast corner of the District a distance of approximately 115.21 feet to the southeast corner of the District. The southern border of the District extends from the southeast corner of the District westerly a distance of approximately 192 feet to the eastern boundary of the Lafayette Street right of way being the southwest corner of the District. The District is bordered to the west by the eastern boundary of the Lafayette Street right of way and extends north from the southwest corner of the District in a line bearing approximately N01°25'56"W a distance of approximately 115.21 feet back to the intersection of the eastern boundary of the Lafayette Street right of way and the southern boundary of the Main Street right of way.

EXHIBIT B

OFFICIAL NOTICE OF THE INTRODUCTION OF AN ORDINANCE CREATING AN ECONOMIC DEVELOPMENT DISTRICT, DESCRIBING THE BOUNDARIES OF THE PROPOSED DISTRICT IN THE PARISH OF EAST BATON ROUGE AND CITY OF BATON ROUGE, PLEDGING AND DEDICATING THE AVAILABLE HOTEL-MOTEL TAXES COLLECTED WITHIN THE DISTRICT AND PROVIDING FOR THE CERTIFICATION OF THE BASELINE HOTEL-MOTEL TAX COLLECTIONS THEREIN

The public is hereby notified that pursuant to the provisions of Chapter 27 of Title 33 of the Louisiana Revised Statutes of 1950, as amended, the Metropolitan Council of the Parish of East Baton Rouge and City of Baton Rouge (the "*City/Parish*"), Louisiana (the "*Council*") is in the process of considering the creation an economic development district in the City/Parish on property located on the southeast quadrant of the intersection of Main Street and Lafayette Street in downtown Baton Rouge to be called the "Lafayette-Main Economic Development District" (the "*District*"). The purpose of the District will be to provide funds to assist in the cost of construction of a new hotel with approximately 137 rooms and the rehabilitation and redevelopment of certain land and the improvements located thereon and to thereby stimulate the local economy and facilitate the continuing effort to redevelop and revitalize the downtown area of the City/Parish (the "*Project*"). The City/Parish intends to pledge incremental increases in hotel-motel taxes over hotel-motel taxes generated within the District in the fiscal year immediately preceding the creation of the District to finance a portion of the costs of the Project. The baseline hotel-motel tax collection rate shall be certified by the Chief Financial Officer of the City/Parish and published in *The Advocate*, the official journal of the City/Parish. If the amounts of the initial annual baseline collection rate and the monthly baseline collection rate are not contested within thirty days after said publication, then such amounts shall be conclusively presumed to be valid, and no court shall have any jurisdiction to alter or invalidate the designation of the amount of either the initial annual baseline collection rate or the monthly baseline collection rate.

The Lafayette-Main Economic Development District (the "*District*") will encompass approximately 22,120.3 square feet (0.508 acres) in the downtown area of the City of Baton Rouge, East Baton Rouge Parish, Louisiana generally described as follows: Commencing from the intersection of the eastern boundary of the Lafayette Street right of way and the southern boundary of the Main Street right of way, the District is bordered to the north by the southern boundary of the Main Street right of way and extending along said right of way in a line bearing approximately S01°25'56"E a distance of approximately 192 feet from said intersection to the northeast corner of the District. The eastern border of the District extends in a southerly direction from the northeast corner of the District a distance of approximately 115.21 feet to the southeast corner of the District. The southern border of the District extends from the southeast corner of the District westerly a distance of approximately 192 feet to the eastern boundary of the Lafayette Street right of way being the southwest corner of the District. The District is bordered to the west by the eastern boundary of the Lafayette Street right of way and extends north from the southwest corner of the District in a line bearing approximately N01°25'56"W a distance of approximately 115.21 feet back to the intersection of the eastern boundary of the Lafayette Street

right of way and the southern boundary of the Main Street right of way.

The public is further notified that the Council plans to consider the adoption of an ordinance introduced at the February 23, 2011 meeting of the Council creating the proposed District and related matters at the regular Council meeting scheduled to be held at the Council Chambers on April 13, 2011 at 4:00 p.m. at which time the public will be afforded an opportunity to comment upon the creation of the District and related matters.

EXHIBIT C

**LAFAYETTE-MAIN ECONOMIC DEVELOPMENT DISTRICT
BASELINE HOTEL-MOTEL TAX COLLECTION RATE CERTIFICATE**

I, the undersigned Chief Financial Officer of the Parish of East Baton Rouge and the City of Baton Rouge, Louisiana, have examined the hotel-motel tax revenue data within the boundaries of the Lafayette-Main Economic Development District for the fiscal year ending June 30, 2010. I hereby certify that both the annual and monthly collections of all hotel-motel taxes levied within the boundaries of the Lafayette-Main Economic Development District for the fiscal year ending June 30, 2010 was zero dollars (\$0.00). Accordingly, I hereby certify the initial annual baseline collection rate and the monthly baseline collection rate for the Lafayette-Main District as zero dollars (\$0.00).

PARISH OF EAST BATON ROUGE
CITY OF BATON ROUGE
STATE OF LOUISIANA

_____, Finance Director

Dated: _____, 2011